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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

ANNUAL AUDITED REPORT
FORM X-17A-5
PART III

OMB APPROVAL
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8- 49442

FACING PAGE

Information Required of Brokers and Dealers Pursuant to Section 17 of the
Securities Exchange Act of 1934 and Rule 17a-5 Thereunder

REPORT FOR THE PERIOD BEGINNING 01/01/03 AND ENDING 12/31/03
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER: Orbitex Funds Distributors, Inc. *dba* OFFICIAL USE ONLY
ADDRESS OF PRINCIPAL PLACE OF BUSINESS: Orbitex Funds Distributors, Inc.
(Do not use P.O. Box No.)
Metro Center, One Station Place, Suite 30
(No. and Street)
Stamford, CT 06902
(City) (State) (Zip Code)

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT
Mr. Mitchell Appel
(Area Code - Telephone Number)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*
Schwartz & Hofflich, LLP
(Name - if individual, state last, first, middle name)
37 North Avenue-3rd Floor, Norwalk, CT 06851-3832
(Address) (City) (State) (Zip Code)

CHECK ONE:

- ☒ Certified Public Accountant
☐ Public Accountant
☐ Accountant not resident in United States or any of its possessions.

FOR OFFICIAL USE ONLY

*Claims for exemption from the requirement that the annual report be covered by the opinion of an independent public accountant must be supported by a statement of facts and circumstances relied on as the basis for the exemption. See Section 240.17a-5(e)(2)

OATH OR AFFIRMATION

I, Mitchell Appel, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Orbitex Funds Distributor, Inc., as of December 31, 2003, are true and correct. I further swear (or affirm) that neither the company nor any partner, proprietor, principal officer or director has any proprietary interest in any account classified solely as that of a customer, except as follows:

Mitchell Appel
Signature

CFO
Title

Kathleen A. Caracappa
Notary Public

This report ** contains (check all applicable boxes):

- ☒ (a) Facing Page.
- ☒ (b) Statement of Financial Condition.
- ☒ (c) Statement of Income (Loss).
- ☒ (d) Statement of Changes in Financial Condition.
- ☒ (e) Statement of Changes in Stockholders' Equity or Partners' or Sole Proprietors' Capital.
- ☐ (f) Statement of Changes in Liabilities Subordinated to Claims of Creditors.
- ☒ (g) Computation of Net Capital.
- ☐ (h) Computation for Determination of Reserve Requirements Pursuant to Rule 15c3-3.
- ☐ (i) Information Relating to the Possession or Control Requirements Under Rule 15c3-3.
- ☒ (j) A Reconciliation, including appropriate explanation of the Computation of Net Capital Under Rule 15c3-3 and the Computation for Determination of the Reserve Requirements Under Exhibit A of Rule 15c3-3.
- ☐ (k) A Reconciliation between the audited and unaudited Statements of Financial Condition with respect to methods of consolidation.
- ☒ (l) An Oath or Affirmation.
- ☐ (m) A copy of the SIPC Supplemental Report.
- ☐ (n) A report describing any material inadequacies found to exist or found to have existed since the date of the previous audit.

***For conditions of confidential treatment of certain portions of this filing, see section 240.17a-5(e)(3).*

[X](o) Auditor's report on the study and evaluation of internal controls

KATHLEEN A. CARACAPPA
NOTARY PUBLIC
MY COMMISSION EXPIRES AUGUST 31, 2008

ORBITECH FUNDS DISTRIBUTOR, INC.

FINANCIAL STATEMENTS

December 31, 2003 and 2002

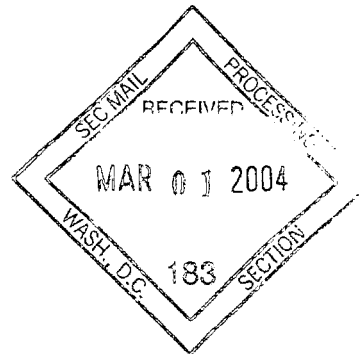


TABLE OF CONTENTS

	<u>Page</u>
Report of Independent Certified Public Accountant	1
Financial statements:	
Statements of financial condition	2
Statements of income	3
Statements of changes in stockholder's equity	4
Statements of cash flows	5
Notes to financial statements	6 - 9
Supplemental information	
Independent auditor's report on internal accounting control required by SEC Rule 17a-5	
Schedule of computation of net capital under Rule 15c3-1 of the Securities and Exchange Commission	



CERTIFIED PUBLIC ACCOUNTANTS
FINANCIAL ADVISORS

LAWRENCE FELDMAN, CPA
NEIL BAYER, CPA
GILBERT K. WATKINS, CPA
BARRY R. NEWMAN, CPA
ANN D. JEVNE, CPA, PFS
BARRY L. SUNSHINE, CPA
PASQUALINO P. SPAGNOLI, CPA
ERIC J. PRESCOTT, CPA

IRVING SCHWARTZ, CPA (1919-2001)
HENRY HOFFLICH, CPA

VICTOR J. PALADINO, CPA
SUSAN A. LEISHER, CPA

Report of Independent Certified Public Accountant

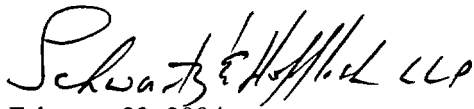
The Board of Directors
Orbitex Funds Distributor, Inc.

We have audited the accompanying statements of financial condition of Orbitex Funds Distributor, Inc. (the "Company") as of December 31, 2003 and 2002, and the related statements of income, changes in stockholder's equity and cash flows for the years then ended that you are filing pursuant to Rule 17a-5 under the Securities Exchange Act of 1934. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Orbitex Funds Distributor, Inc. as of December 31, 2003 and 2002, and the results of its operations, and its cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The information contained in Schedule 1 is presented for purposes of additional analysis and is not a required part of the basic financial statements, but is supplementary information required by Rule 17a-5 under the Securities Exchange Act of 1934. Such information has been subjected to the auditing procedures applied in the audits of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.


February 23, 2004

ORBITEX FUNDS DISTRIBUTOR, INC.

STATEMENTS OF FINANCIAL CONDITION

As of December 31,

	<u>2003</u>	<u>2002</u>
Assets		
Cash and cash equivalents	\$ 208,026	\$ 517,084
Trade commission receivables	58,000	551,333
Other receivables	46,918	0
Cash on deposit	0	100,000
Due from affiliate	0	38,841
Prepaid expenses	<u>42,427</u>	<u>73,565</u>
Total current assets	355,371	1,280,823
Property and equipment, net	0	68,735
Investment in nonmarketable securities	<u>3,300</u>	<u>3,300</u>
Total assets	<u>\$ 358,671</u>	<u>\$ 1,352,858</u>
Liabilities and stockholder's equity		
Current liabilities		
Accounts payable	\$ 145,325	\$ 751,599
Accrued expenses payable	<u>10,787</u>	<u>247,212</u>
Total liabilities	<u>156,112</u>	<u>998,811</u>
Stockholder's equity		
Common stock (\$0.01 par value, 10,000 shares authorized, issued and outstanding in 2003 and 2002)	100	100
Additional paid-in capital	174,900	74,900
Retained earnings	<u>27,559</u>	<u>279,047</u>
Total stockholder's equity	<u>202,559</u>	<u>354,047</u>
Total liabilities and stockholder's equity	<u>\$ 358,671</u>	<u>\$ 1,352,858</u>

See accompanying notes.

ORBITECH FUNDS DISTRIBUTOR, INC.

STATEMENTS OF INCOME

For the years ended December 31,

	<u>2003</u>	<u>2002</u>
Revenues	\$ <u>2,174,760</u>	\$ <u>4,971,419</u>
Expenses		
Commissions paid	1,327,719	966,256
Clearing fees	343,737	1,514,770
Compensation and benefits	411,155	306,329
Professional fees	25,778	1,106,874
Corporate overhead	10,000	150,000
Trading fees	0	83,165
Depreciation and amortization	19,173	7,887
Other expenses	<u>288,011</u>	<u>687,540</u>
Total expenses	<u>2,425,573</u>	<u>4,822,821</u>
Income (loss) from operations before income taxes	(250,813)	148,598
Income taxes	<u>675</u>	<u>675</u>
Net income (loss)	\$ <u><u>(251,488)</u></u>	\$ <u><u>147,923</u></u>

See accompanying notes.

ORBITECH FUNDS DISTRIBUTOR, INC.

STATEMENTS OF CHANGES IN STOCKHOLDER'S EQUITY

For the years ended December 31, 2003 and 2002

	<u>Common Stock</u>	<u>Additional paid-in Capital</u>	<u>Retained Earnings</u>	<u>Total</u>
Balance, December 31, 2001	\$ 100	\$ 74,900	\$ 131,124	\$ 206,124
Net income	<u>0</u>	<u>0</u>	<u>147,923</u>	<u>147,923</u>
Balance, December 31, 2002	100	74,900	279,047	354,047
Contributed capital	0	100,000	0	100,000
Net loss	<u>0</u>	<u>0</u>	<u>(251,488)</u>	<u>(251,488)</u>
Balance, December 31, 2003	\$ <u>100</u>	\$ <u>174,900</u>	\$ <u>27,559</u>	\$ <u>202,559</u>

See accompanying notes.

ORBITEX FUNDS DISTRIBUTOR, INC.

STATEMENTS OF CASH FLOWS

For the years ended December 31,

	<u>2003</u>	<u>2002</u>
Cash flows from operating activities:		
Net income (loss)	\$ (251,488)	\$ 147,923
Depreciation and amortization	19,173	7,888
Net book value of property disposed of	29,562	0
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:		
Proceeds from sale of property	20,000	0
(Increase) decrease in trade commissions receivables	493,333	(450,028)
(Increase) in other receivables	(46,918)	0
(Increase) decrease in cash on deposit	100,000	(100,000)
(Increase) decrease in prepaid expenses	31,138	(55,679)
Increase (decrease) in accrued expenses payable	(236,425)	244,623
(Increase) decrease in due from affiliates	38,841	(157,631)
Increase (decrease) in accounts payable	<u>(606,274)</u>	<u>751,026</u>
Net cash provided by (used in) operating activities	(409,058)	388,122
Net cash provided by (used in) investing activities:		
Purchase of property and equipment	0	(76,623)
Contributed capital	<u>100,000</u>	<u>0</u>
Net change in cash and cash equivalents	(309,058)	311,499
Cash and cash equivalents, as of January 1,	<u>517,084</u>	<u>205,585</u>
Cash and cash equivalents, as of December 31,	\$ <u>208,026</u>	\$ <u>517,084</u>

See accompanying notes.

ORBITEX FUNDS DISTRIBUTOR, INC.

NOTES TO FINANCIAL STATEMENTS

December 31, 2003 and 2002

NOTE 1 - ORGANIZATION

Orbitex Funds Distributor, Inc. ("the Company") is a broker-dealer registered with the Securities and Exchange Commission ("SEC") and is a member of the National Association of Securities Dealers ("NASD"). The Company is a Nebraska corporation that is wholly owned by Circle Trust Company ("CTC" or the "Parent"), a non-bank trust company organized under the laws of the State of Connecticut.

The Company's principal business activity for 2003 was to act as a wholesale distributor for the Saratoga Advantage Trust and performed hedge fund trading with various clients. The majority of revenues derived from the Saratoga Advantage Trust comprised of commissions income, substantially all of which was paid as commission expense.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Cash and cash equivalents

For purposes of the statements of cash flows, the Company considers all short-term investments with a maturity at the date of purchase of three months or less to be cash equivalents.

Throughout the year, the Company may maintain cash in excess of \$100,000 on deposit in individual banks. The Federal Deposit Insurance Corporation insures only the first \$100,000 of funds at member banks.

Use of estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts and disclosures. Actual results could differ from those estimates.

Revenue recognition

Customer transactions and related commission income is recognized on the trade date.

Depreciation

The cost of property and equipment is depreciated over the estimated useful lives of the related assets. Depreciation is compiled using the straight line method.

Income taxes

The Company accounts for income taxes using the asset and liability method of accounting for income taxes. Under this method, deferred tax assets and liabilities are recognized for future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to the taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities due to a change in tax rates is recognized in income in the period that includes the enactment date.

ORBITEX FUNDS DISTRIBUTOR, INC.

NOTES TO FINANCIAL STATEMENTS

December 31, 2003 and 2002

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

The Company is included in the consolidated federal and combined state tax returns with related companies. Management expects the Company's income to be completely offset with other related companies' losses. Accordingly, no income taxes have been recorded in this financial statement, except state income taxes.

NOTE 3 - INVESTMENT IN UNMARKETABLE SECURITIES

The Company holds an investment in the securities of the NASD. The Company considers this an investment in nonliquid securities and accounts for the investment using the lower of cost or market value method.

NOTE 4 - PROPERTY AND EQUIPMENT

The following is a summary of property and equipment-at cost, less accumulated depreciation as of December 31, 2003 and 2002:

	<u>2003</u>	<u>2002</u>
Computer hardware	\$ 0	\$ 51,057
Computer software	<u>0</u>	<u>25,566</u>
	0	76,623
Less, accumulated depreciation	<u>0</u>	<u>(7,888)</u>
Total property and equipment, net	<u>\$ 0</u>	<u>\$ 68,735</u>

The useful lives of property and equipment for purposes of computing depreciation are:

Computer hardware	2-3 years
Computer software	2 years

Depreciation expense charged to operations for the years ended December 31, 2003 and 2002 were \$19,173 and \$7,888, respectively.

During 2003, the Parent company purchased hardware from the Company in the amount of \$20,000 at a gain of \$3,710 and disposed of the remaining property and equipment at a loss of \$33,272.

NOTE 5 - TRANSACTIONS WITH RELATED PARTIES

The due from affiliate are advances to related companies and are on a non interest bearing basis.

Included in accounts payable was \$0 and \$28,164 from related companies as of December 31, 2003 and 2002, respectively.

ORBITEX FUNDS DISTRIBUTOR, INC.

NOTES TO FINANCIAL STATEMENTS

December 31, 2003 and 2002

NOTE 5 - TRANSACTIONS WITH RELATED PARTIES (cont.)

Commission revenue includes \$431,638 and \$991,182 from related companies for the years ended December 31, 2003 and 2002, respectively.

Commission expense includes \$236,633 and \$113,840 from related parties for the years ended December 31, 2003 and 2002, respectively.

Professional fees include \$900,000 of consulting fees from a related company in 2002. The related company provides services such as due diligence, compliance, market place research and analysis and others to the company.

The Company maintains its principal and general offices in the same location as CTC, its Parent company. Allocated overhead expense for the years ended December 31, 2003 and 2002 are \$10,000 and \$150,000, respectively, which were paid to the former parent of CTC.

During 2003, the Parent company contributed capital in the amount of \$100,000.

NOTE 6 - NET CAPITAL REQUIREMENTS

The Company is subject to the SEC Uniform Net Capital Rule (SEC Rule 15c3-1), which requires the maintenance of minimum net capital and requires that the ratio of aggregate indebtedness to net capital, both as defined, shall not exceed 15 to 1. At December 31, 2003, the Company had net capital, as defined of \$104,914 which was in excess of its required net capital of \$25,000. As of December 31, 2003, the Company had a ratio of aggregate indebtedness to net capital of 1.49 to 1.

NOTE 7 - CLEARING AND DEPOSITORY OPERATIONS

The Company does not conduct clearing and depository operations of customers' securities transactions. The Company is exempt from the provisions of the United States Securities and Exchange Commission Rule 15c3-3, under Paragraph (k)(2)(ii), and is not responsible for compliance with Section 4(c) of Regulation T and the Board of Governors of the Federal Reserve System, because it does not clear transactions with and for customer accounts.

NOTE 8 - 401 (k) SAVINGS PLAN

In 2003 and 2002, the Company maintained through the former parent of CTC, a qualified or deferred compensation plan under Section 401(k) of the Internal Revenue Code. Under the plan, employees may elect to defer a percentage of their salary, subject to Internal Revenue Service limitations. The Company may make discretionary matching contributions. Employer contributions were \$2,512 and \$1,450 for the years ended December 31, 2003 and 2002, respectively.

ORBITEX FUNDS DISTRIBUTOR, INC.

NOTES TO FINANCIAL STATEMENTS

December 31, 2003 and 2002

NOTE 8 - 401 (k) SAVINGS PLAN (cont.)

On October 1, 2003, the Company, through the parent company, adopted a new plan that is effective as of January 1, 2004. The plan qualifies under Section 401(k) of the Internal Revenue Code and allows eligible employees to contribute up to seventy-five percent of their annual compensation, as defined and subject to a maximum dollar amount determined from time to time by the Internal Revenue Service. Employees are generally eligible following the latter of attainment of age 18 or the completion of three months of credited service. The parent company may match and contribute an amount to be defined before the end of each plan year and based on employee contributions. In addition the parent company may make a discretionary contribution to all participants. The matching contributions fully vest to employees after four years of credited service.

SUPPLEMENTARY INFORMATION

Independent Auditors' Report on Internal Accounting Control Required by SEC Rule 17a-5

In planning and performing our audits of the financial statements and supplemental schedules of Orbitex Funds Distributor, Inc. ("the Company"), for the years ended December 31, 2003 and 2002, we considered its internal control, including control activities for safeguarding securities, in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on internal control.

Also, as required by Rule 17a-5(g)(1) of the Securities and Exchange Commission (SEC), we have made a study of the practices and procedures followed by the Company including tests of compliance with such practices and procedures that we considered relevant to the objectives stated in Rule 17a-5(g) in making the periodic computation of aggregate indebtedness (or aggregate debits) and net capital under Rule 17a-3(a)(11) and for determining compliance with the exemptive provisions of Rule 15c3-3. Because the Company does not carry securities accounts for customers or perform custodial functions relating to customer securities, we did not review the practices and procedures followed by the Company in any of the following:

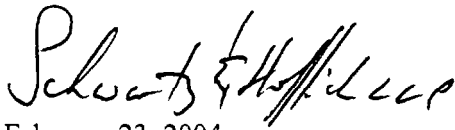
- 1) Making quarterly securities examinations, counts, verifications and comparisons, and the recordation of differences required by Rule 17a-13.
- 2) Complying with the requirements for prompt payment for securities under Section 8 of Federal Reserve Regulation T of the Board of Governors of the Federal Reserve System.

The management of the Company is responsible for establishing and maintaining an internal control and the practices and procedures referred to in the preceding paragraph. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related cost of controls, and of the practices and procedures referred to in the preceding paragraph and to assess whether those practices and procedures can be expected to achieve the "SEC" above mentioned objectives. Two of the objectives of internal control and the practices and procedures are to provide management with reasonable but not absolute assurance that assets for which the Company has responsibility are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in conformity with accounting principles generally accepted in the United States of America. Rule 17a-5(g) lists additional objectives of the practices and procedures listed in the preceding paragraph.

Because of inherent limitations in internal control or the practices and procedures referred to above, error or fraud may occur and not be detected. Also, projection of any evaluation of them to future periods is subject to the risk that they may become inadequate because of changes in conditions or that the effectiveness of their design and operation may deteriorate. Our consideration of internal control would not necessarily disclose all matters in internal control that might be material weaknesses under standards established by the American Institute of Certified Public Accountants. A material weakness is a condition in which the design or operation of the specific internal control components does not reduce to a relatively low level the risk that error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. However, we noted no matters involving internal control, including control activities for safeguarding securities, which we consider to be material weaknesses as defined above.

We understand that practices and procedures that accomplish the objectives referred to in the second paragraph of this report are considered by the SEC to be adequate for its purpose in accordance with the Securities Exchange Act of 1934 and related regulations, and that practices and procedures that do not accomplish such objectives in all material respects indicate a material inadequacy for such purposes. Based on this understanding and on our study, we believe that the Company's practices and procedures were adequate at December 31, 2003 and 2002 to meet the SEC's objectives.

This report is intended solely for the information and use of the board of Directors, management, the SEC, National Association of Securities Dealers, Inc., and other regulatory agencies that rely on rule 17a-5(g) under the Securities Exchange Act of 1934 in their regulation of registered brokers and dealers and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink, appearing to read "Schwartz & Hill LLP", written in a cursive, stylized script.

February 23, 2004

FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT

PART II

BROKER OR DEALER Orbitex Funds Distributor, Inc.	N 2			100
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STATEMENT OF FINANCIAL CONDITION

as of (MM/DD/YY) 12/31/03 99

SEC FILE NO. 8-49442 98

Consolidated 198

Unconsolidated 199

ASSETS

	Allowable	Non-Allowable	Total
1. Cash	\$ 208,026 200		\$ 208,026 750
2. Cash segregated in compliance with federal and other regulations	210		760
3. Receivable from brokers or dealers and clearing organizations:			
A. Failed to deliver:			
1. Includable in "Formula for Reserve Requirements"	220		
2. Other	230		770
B. Securities borrowed:			
1. Includable in "Formula for Reserve Requirements"	240		
2. Other	250		780
C. Omnibus accounts:			
1. Includable in "Formula for Reserve Requirements"	260		
2. Other	270		790
D. Clearing organizations:			
1. Includable in "Formula for Reserve Requirements"	280		
2. Other	58,000 290		58,000 800
E. Other	300	\$ 550	810
4. Receivables from customers:			
A. Securities accounts:			
1. Cash and fully secured accounts	310		
2. Partly secured accounts	320	560	
3. Unsecured accounts		570	
B. Commodity accounts	330	580	
C. Allowance for doubtful accounts	(335)	(590)	820
5. Receivables from non-customers:			
A. Cash and fully secured accounts	340		
B. Partly secured and unsecured accounts	350	600	830
6. Securities purchased under agreements to resell	360	605	840
7. Securities and spot commodities owned, at market value:			
A. Bankers acceptances, certificates of deposit and commercial paper	370		
B. U.S. and Canadian government obligations	380		
C. State and municipal government obligations	390		
D. Corporate obligations	400		

OMIT PENNIES

FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT

PART II

BROKER OR DEALER

as of 12/31/03

Orbitex Funds Distributor, Inc.

STATEMENT OF FINANCIAL CONDITION

		<u>ASSETS</u>		
		<u>Allowable</u>	<u>Non-Allowable</u>	<u>Total</u>
E. Stocks and warrants	9 \$	410		
F. Options		420		
G. Arbitrage		422		
H. Other securities		424		
I. Sport commodities		430		
				\$ 850
8. Securities owned not readily marketable:				
A. At Cost	10 \$ 3,300	130	0 440	\$ 3,300 610
				3,300 860
9. Other investments not readily marketable:				
A. At Cost	\$	140		
B. At estimated fair value		450	620	870
10. Securities borrowed under subordination agreements and partners' individual and capital securities accounts, at market value:				
A. Exempted securities	\$	150		
B. Other	\$ 160 10	460	630	880
11. Secured demand notes- market value of collateral:				
A. Exempted securities	\$	170		
B. Other	\$	180	470	640
				890
12. Memberships in exchanges:				
A. Owned, at market value	\$	190		
B. Owned at cost			650	
C. Contributed for use of company, at market value			660 12	900
13. Investment in and receivables from affiliates, subsidiaries and associated partnerships		480	670 14	910
14. Property, furniture, equipment, leasehold improvements and rights under lease agreements:				
At cost (net of accumulated depreciation and amortization)		490	680	920
15. Other Assets:				
A. Dividends and interest receivable		500	690	
B. Free shipments		510	700	
C. Loans and advances		0 520	46,918 710	
D. Miscellaneous	11	0 530	42,427 720	89,345 930
16. TOTAL ASSETS		\$ 266,026 540 13	\$ 92,645 740 14	\$ 358,671 940

OMIT PENNIES

FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT

PART II

BROKER OR DEALER

as of 12/31/03

Orbitex Funds Distributor, Inc.

STATEMENT OF FINANCIAL CONDITION

LIABILITIES AND OWNERSHIP EQUITY (continued)

	A.I. Liabilities*	Non-A.I. Liabilities*	Total
Liabilities			
17. Bank loans payable:			
A. Includable in "Formula for Reserve Requirements"	\$ 1030	\$ 1240	\$ 1460
B. Other.....	1040	1250	1470
18. Securities sold under repurchase agreement....		1260	1480
19. Payable to brokers or dealers and clearing organizations:			
A. Failed to receive:			
1. Includable in "Formula for Reserve Requirements"	1050	1270	1490
2. Other.....	1060	1280	1500
B. Securities loaned:			
1. Includable in "Formula for Reserve Requirements"	1070		1510
2. Other.....	1080	1290	1520
C. Omnibus accounts:			
1. Includable in "Formula for Reserve Requirements"	1090		1530
2. Other.....	1095	1300	1540
D. Clearing organizations:			
1. Includable in "Formula for Reserve Requirements"	1100		1550
2. Other.....	1105	1310	1560
E. Other:	1110	1320	1570
20. Payable to customers:			
A. Securities accounts-including free credits of\$ 950	1120		1580
B. Commodities accounts	1130	1330	1590
21. Payable to non customers:			
A. Securities accounts	1140	1340	1600
B. Commodities accounts	1150	1350	1610
22. Securities sold not yet purchased at market value-including arbitrage of\$ 960		1360	1620
23. Accounts payable and accrued liabilities and expenses:			
A. Drafts payable	1160		1630
B. Accounts payable	145,325	1170	145,325
C. Income taxes payable	1180		1650
D. Deferred income taxes		1370	1660
E. Accrued expenses and other liabilities	10,787	1190	10,787
F. Other	1200	1380	1680

OMIT PENNIES

*Brokers or Dealers electing the alternative net capital requirement method need not complete these columns.

FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT

PART II

BROKER OR DEALER

as of 12/31/03

Orbitex Funds Distributor, Inc.

STATEMENT OF FINANCIAL CONDITION

LIABILITIES AND OWNERSHIP EQUITY (continued)

	A.I. Liabilities*	Non-A.I. Liabilities*	Total
Liabilities			
24. Notes and mortgages payable:			
A. Unsecured	\$ 1210		\$ 1690
B. Secured	25 1211	1390	1700
25. Liabilities subordinated to claims of general creditors:			
A. Cash borrowings:		1400	1710
1. from outsiders 24 \$	970		
2. Includes equity subordination (15c3-1(d)) of	\$ 980		
B. Securities borrowings, at market value from outsiders \$	990	1410	1720
C. Pursuant to secured demand note collateral agreements		1420	27 1730
1. from outsiders \$	1000		
2. Includes equity subordination (15c3-1(d)) of	\$ 1010		
D. Exchange memberships contributed for use of company, at market value		28 1430	1740
E. Accounts and other borrowings not qualified for net capital purposes	1220	1440	1750
26. TOTAL LIABILITIES	\$ 156,112 1230	\$ 1450	\$ 156,112 1760
Ownership Equity			
27. Sole Proprietorship			\$ 1770
28. Partnership-limited partners	\$ 1020		\$ 1780
29. Corporation:			
A. Preferred stock			1791
B. Common stock		28 100	1792
C. Additional paid-in capital		174,900	1793
D. Retained earnings		27,559	1794
E. Total			1795
F. Less capital stock in treasury			() 1796
30. TOTAL OWNERSHIP EQUITY		\$ 202,559	1800
31. TOTAL LIABILITIES AND OWNERSHIP EQUITY			\$ 358,671 1810

OMIT PENNIES

*Brokers or Dealers electing the alternative net capital requirement method need not complete these columns.

FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT

PART II

BROKER OR DEALER

as of 12/31/03

Orbitex Funds Distributor, Inc.

COMPUTATION OF NET CAPITAL

1. Total ownership equity from Statement of Financial Condition - Item 1800	\$	<u>202,559</u>	<u>3480</u>
2. Deduct Ownership equity not allowable for Net Capital	(<u>3490</u>
3. Total ownership equity qualified for Net Capital		<u>202,559</u>	<u>3500</u>
4. Add:			
A. Liabilities subordinated to claims of general creditors allowable in computation of net capital			<u>3520</u>
B. Other (deductions) or allowable credits (List)			<u>3525</u>
5. Total capital and allowable subordinated liabilities	\$	<u>202,559</u>	<u>3530</u>
6. Deductions and/or charges:			
A. Total nonallowable assets from			
Statement of Financial Condition (Notes B and C)	\$	<u>92,645</u>	<u>3540</u>
1. Additional charges for customers' and non-customers' security accounts	\$		<u>3550</u>
2. Additional charges for customers' and non-customers' commodity accounts			<u>3560</u>
B. Aged fail-to-deliver			<u>3570</u>
1. Number of items	29	<u>3450</u>	
C. Aged short security differences-less reserve of	\$	<u>3460</u>	30 <u>3580</u>
number of items		<u>3470</u>	
D. Secured demand note deficiency			<u>3590</u>
E. Commodity futures contracts and spot commodities - proprietary capital charges			<u>3600</u>
F. Other deductions and/or charges			<u>3610</u>
G. Deductions for accounts carried under Rule 15c3-1(a)(6), (a)(7) and (c)(2)(x)			<u>3615</u>
H. Total deductions and/or charges	(<u>92,645</u>	<u>3620</u>
7. Other additions and/or allowable credits (List)			<u>3630</u>
8. Net capital before haircuts on securities positions	\$	<u>109,914</u>	<u>3640</u>
9. Haircuts on securities: (computed, where applicable, pursuant to 15c3-1(f)):			
A. Contractual securities commitments	\$		<u>3660</u>
B. Subordinated securities borrowings			<u>3670</u>
C. Trading and investment securities:			
1. Bankers' acceptances, certificates of deposit and commercial paper	31		<u>3680</u>
2. U.S. and Canadian government obligations			<u>3690</u>
3. State and municipal government obligations			<u>3700</u>
4. Corporate obligations			<u>3710</u>
5. Stocks and warrants			<u>3720</u>
6. Options			<u>3730</u>
7. Arbitrage			<u>3732</u>
8. Other securities	32		<u>3734</u>
D. Undue Concentration			<u>3650</u>
E. Other (List)			<u>3736</u>
	(<u>5,000</u>	<u>3740</u>
10. Net Capital	\$	<u>104,914</u>	<u>3750</u>

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Reconciliation of Net Capital differences between Focus Report and Annual Audited Report.

Net Capital, as reported in Focus Report	\$ 48,273
Difference	
(1) Decreased in Accrued expenses	<u>56,641</u>
Net Capital, as reported in Audit	<u>\$104,914</u>

FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT

PART II

BROKER OR DEALER

as of 12/31/03

Orbitex Funds Distributor, Inc.

COMPUTATION OF BASIC NET CAPITAL REQUIREMENT

Part A

11. Minimum net capital required (6 2/3% of line 19)	\$		3756
12. Minimum dollar net capital requirement of reporting broker or dealer and minimum net capital requirement of subsidiaries computed in accordance with Note (A)	\$	25,000	3758
13. Net capital requirement (greater of line 11 or 12)	\$	25,000	3760
14. Excess net capital (line 10 less 13)	\$	79,914	3770
15. Excess net capital at 1000% (line 10 less 10% of line 19)	\$	89,303	3780

COMPUTATION OF AGGREGATE INDEBTEDNESS

16. Total A.I. liabilities from Statement of Financial Condition	\$	156,112	3790
17. Add:			
A. Drafts for immediate credit	\$	3800	
B. Market value of securities borrowed for which no equivalent value is paid or credited	\$	3810	
C. Other unrecorded amounts (List)	\$	3820	3830
18. Deduct: Adjustment based on deposits in Special Reserve Bank Accounts (15c3-1(c)(1)(vii))	\$		3838
19. Total aggregate indebtedness	\$	156,112	3840
20. Percentage of aggregate indebtedness to net capital (line 19 ÷ by line 10)	%	1.49	3850
21. Percentage of aggregate indebtedness to net capital <i>after</i> anticipated capital withdrawals (line 19 ÷ by line 10 less item 4880 page 25)	%		3853

COMPUTATION OF ALTERNATE NET CAPITAL REQUIREMENT

Part B

22. 2% of combined aggregate debt items as shown in Formula for Reserve Requirements pursuant to Rule 15c3-3 prepared as of date of the net capital computation including both brokers or dealers and consolidated subsidiaries' debits	\$		3870
23. Minimum dollar net capital requirement of reporting broker or dealer and minimum net capital requirement of subsidiaries computed in accordance with Note (A)	\$		3880
24. Net capital requirement (greater of line 22 or 23)	\$		3760
25. Excess net capital (line 10 less 24)	\$		3910
26. Percentage of Net Capital to Aggregate Debits (line 10 ÷ by line 17 page 8)	%		3851
27. Percentage of Net Capital, <i>after</i> anticipated capital withdrawals, to Aggregate Debits (line 10 less item 4880 page 11 ÷ by line 17 page 8)	%		3854
28. Net capital in excess of the greater of:			
A. 5% of combined aggregate debt items or \$120,000	\$		3920

OTHER RATIOS

Part C

29. Percentage of debt to debt-equity total computed in accordance with Rule 15c3-1(d)	%		3860
30. Options deductions/Net Capital ratio (1000% test) total deductions exclusive of liquidating equity under Rule 15c3-1(a)(6), (a)(7) and (c)(2)(x) ÷ Net Capital	%		3852

NOTES:

- (A) The minimum net capital requirement should be computed by adding the minimum dollar net capital requirement of the reporting broker dealer and, for each subsidiary to be consolidated, the greater of:
1. Minimum dollar net capital requirement, or
 2. 6 2/3% of aggregate indebtedness or 2% of aggregate debits if alternative method is used.
- (B) Do not deduct the value of securities borrowed under subordination agreements or secured demand notes covered by subordination agreements not in satisfactory form and the market values of memberships in exchanges contributed for use of company (contra to item 1740) and partners' securities which were included in non-allowable assets.
- (C) For reports filed pursuant to paragraph (d) of Rule 17a-5, respondent should provide a list of material non-allowable assets.

FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT

PART II

BROKER OR DEALER

Orbitex Funds Distributor, Inc.

as of 12/31/03

Ownership Equity and Subordinated Liabilities maturing or proposed to be withdrawn within the next six months and accruals, (as defined below), which have not been deducted in the computation of Net Capital.

Type of Proposal Withdrawal or Accrual See below for code to enter	Name of Lender or Contributor	Insider or Outsider? (In or Out)	Amount to be Withdrawn (cash amount and/or Net Capital Value of Securities)	(MMDDYY) Withdrawal or Maturity Date	Expect to Renew (Yes or No)
54	4600	4601	4602 \$	4603	4604 4605
55	4610	4611	4612	4613	4614 4615
56	4620	4621	4622	4623	4624 4625
57	4630	4631	4632	4633	4634 4635
58	4640	4641	4642	4643	4644 4645
59	4650	4651	4652	4653	4654 4655
60	4660	4661	4662	4663	4664 4665
61	4670	4671	4672	4673	4674 4675
62	4680	4681	4682	4683	4684 4685
63	4690	4691	4692	4693	4694 4695

Total \$ 64 4699*

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* To agree with the total on Recap (Item No. 4880)

Instructions: Detail Listing must include the total of items maturing during the six month period following the report date, regardless of whether or not the capital contribution is expected to be renewed. The schedule must also include proposed capital withdrawals scheduled within the six month period following the report date including the proposed redemption of stock and payments of liabilities secured by fixed assets (which are considered allowable assets in the capital computation pursuant to Rule 15c3-1(c)(2)(iv)), which could be required by the lender on demand or in less than six months.

WITHDRAWAL CODE:	DESCRIPTIONS
1.	Equity Capital
2.	Subordinated Liabilities
3.	Accruals
4.	15c3-1(c)(2)(iv) Liabilities